

Burns was hit by an artillery fire and fell into the sea. Later it was found by two vessels to the island of Rhodes.

A vessel of the Agamemnon class (a British battleship with a displacement of 18,000 tons), protected by two cruisers, two monitors and eight torpedo boats, was attacked at intervals on the 29th. Our artillery replying hit the Agamemnon and one of the cruisers with two shells.

On the 31st a monitor posted behind the island of Merkeb fired eight shells on the Anatolian coast narrow. Our Anatolian batteries repeatedly bombarded the landing places at Tekke Burnu and Sed-el-Bahr, disturbing an enemy transport, sinking a boat near Tekke Burnu and destroying a great shed.

One of our warplanes successfully dropped four bombs on a tent camp.

PERSIAN CITY FALLS.

Kashan Occupied by Russians, Who March Toward Isfahan.

Special Cable Dispatch to The Sun. LONDON, Dec. 29.—Gen. Townshend, in command of the British expeditionary force in Mesopotamia, reported today that the Russians have attacked since December 25. On that date they were driven back after a desperate attack, in which they had secured a temporary footing in the fort at Kut-el-Amara.

The Tehran correspondent of Reuters says that the Russian troops carried their way to the aid of the British forces at Kut-el-Amara, and occupied the important town of Kashan and are marching toward Isfahan, driving the Turks before them.

FRENCH AIRMEN DIRECT GUNFIRE BY WIRELESS

Reconnoitre Bulgarian Lines and Shell Uskub, Istip and Strumitza.

Special Cable Dispatch to The Sun. PARIS, Dec. 29.—Remarkable work by French aviators in the Balkans in directing gunfire by wireless from their aeroplanes is recounted by the War Office tonight in a supplementary communiqué, which says:

Flying over mountainous regions in intense cold our aviators are constantly reconnoitering the Bulgarian lines. They have shot at Uskub, Istip and Strumitza and other encampments with great effect. They have also taken remarkable air photographs of the enemy positions, have made maps, and by wireless apparatus controlled our gunners.

The aviators corps furnishes weather reports daily to headquarters staff, recording the speed of the wind and the height of the clouds from 1,000 altitude.

NEW FOE FOR "ZEPS."

British Constructing Monster Aeroplanes for Defence.

New Brunswick, N. J., Dec. 29.—"Until you visit the allied countries you cannot realize what a great part the air machines are playing in the European war," said Charles H. Day, chief engineer of the Sloats Biplane Company, today. Mr. Day has just returned from London and Paris, where he went on Government business.

"I should say there are at least 8,000 aeroplanes now engaged in the war in and near France," he said. "At each of the allied aviation stations there are ten times as many aeroplanes as the United States possesses for war purposes. On one aviation field near Paris I viewed between 500 and 600 machines, all completed and ready to fly to the front. There are perhaps ten factories in France that are turning out six aeroplanes a day."

Mr. Day has been designing aeroplanes for twelve years. He is a graduate of Rensselaer Polytechnic.

While in London Mr. Day viewed a monster aeroplane which, he said, is the greatest Britain's answer to the German Zeppelin. It was of 800 horsepower and is able to carry nine persons besides guns and munitions. Mr. Day says the construction of this monster aeroplane, which has a width of 127 feet, is entirely practical. It had been tested successfully. Others, Mr. Day said, were in course of construction.

SHIP TORPEDOED; CREW LOST.

U. S. Steamship British Steamer—3 Neutral Sunk, One by Mine.

LONDON, Dec. 29.—The British steamer Morning was sunk by a submarine today and the crew is believed to have been lost. It is reported in dispatches received here that only the captain and second mate were saved.

The Dutch trawler Grin is reported from Amsterdam to have been blown up by a mine. Three of her crew were killed, three wounded and eight saved.

The Norwegian steamer Hordene was sunk north of Bergen with the loss of one life.

Another Norwegian steamer, the Heidrun, is believed to have been lost. Despatches from Posen, Corvial reporting that wreckage from the ship and a body with one of the Heidrun's life belts have been washed ashore at Mullon.

OFFER DANCER FOR SCIENTIST.

Austrians Will Exchange Nijinski for Nobel Prize Winner.

Special Cable Dispatch to The Sun. PARIS, Dec. 29.—The correspondent of The Sun is informed that the Austrian prisoner in Russia, whose exchange for Nijinski, the Russian dancer, is being offered by the Austrians, is Baron Barany.

The latter was awarded the Nobel prize for medicine several months ago. He was captured with an Austrian ambulance recently.

TO BE "VILLE LUMIERE" ANEW.

Paris Can Satisfy Be Lighted, Gen. Maunoury Says.

PARIS, Dec. 29.—The lights of Paris may twinkle more normally again, Gen. Maunoury, the military governor, has expressed the opinion to the *Matin* that the capital may be more brilliantly lighted without adding to the risk of air raids.

The general said that he would inquire into the question.

Day's British Casualties, 1,005.

Special Cable Dispatch to The Sun. LONDON, Dec. 29.—Today's official casualty list covering all British forces gives the number of officers at thirty, of whom eight were killed, and that of men at 975, of whom 289 were killed.

FRENCH MAKE NEW GAINS IN THE VOSGES CAMPAIGN

Victorious Advance Continues, Paris Reports, While Berlin Says Offensive Has Broken Down—1,688 German Prisoners Taken in Nine Days.

Special Cable Dispatch to The Sun. LONDON, Dec. 29.—The French offensive in the Vosges is assuming important proportions. Fresh gains of considerable magnitude are reported today. During the last twenty-four hours 300 German soldiers have been captured by the French, and the total number of unwounded German prisoners made since the operation began on December 21, is now 1,688.

A despatch from Berlin to-night says that the German War Office admits that the French penetrated the German positions on Hartmannswillerkopf, but says they were driven out. According to the same statement the entire French offensive in this locality has broken down. The official French War Office reports, however, are to the effect that gains of great importance have been made since the attack began. It would appear that the Germans have suffered very considerable losses during the operations thus far.

There is no indication that the French offensive, which apparently has been so successful, is to be dropped. It would appear rather that the advantages gained are to be followed by more determined assaults.

Official French Report.

The night communiqué says: In the Vosges there was lively cannonading at various points, notably between the Ficht and the Thur River. The fighting was very violent in the region of Hartmannswillerkopf. In spite of violent counter attacks by the enemy, the action so effectively begun by us yesterday left us at the end of the day masters of a series of German defences established between the Rehfelden and Hirsland peaks, which were added to the trenches already lost by the enemy.

The number of Germans who have fallen into our hands since yesterday is 300. The total number of unwounded German prisoners taken since the beginning of the operation is 1,688. The unanimous opinion of the prisoners of the German losses in the course of our attack.

AUSTRIANS ROUTED BY MONTENEGRINS

Cettinje Announces Sanjak Has Been Cleared of Invaders.

LOSSES ARE TREMENDOUS

Special Cable Dispatch to The Sun.

LONDON, Dec. 29.—The following Montenegrin official report was received here tonight from Cettinje:

The Montenegrin army has been reinforced by a Serbian corps and resumed the offensive on all fronts, particularly in the Sanjak region.

The Austrians, already driven from Montenegrin territory, have been ejected from the Sanjak. The Austrian losses are estimated at 10,000 men.

Thanks to the arrival of Italian forces in Albania, the Montenegrin general staff was able to move toward the northern front, where forces of Montenegrins and Serbians.

An earlier official report from Montenegrin army headquarters is as follows:

The enemy hotly sheltered our positions on the Tara River on Monday and delivered a fierce attack near Lecuvica, but was repulsed with great loss.

Near Nerane we added to our recent success by occupying two further villages and advancing as far as Koritza. We took forty prisoners.

On the Lovcen front the Austrians opened fire on all the forts and several warships shelled Taskovaca. They fired 2,000 big shells in fifteen hours, at the same time launching energetic infantry attacks, all of which were repulsed. Despite the intensity of the fire we had only two killed and two wounded.

Our success at Lepanetz on December 23 proves to be greater than that previously announced. We found 500 bodies on the Austrian right wing, but the total enemy losses exceed 2,000 in killed and wounded.

King Nikola has congratulated Gen. Vasojevitch on his successes.

BULGARS NEAR ADRIATIC.

Austrians Attack Scutari—Inch With Italians in Albania Near.

Special Cable Dispatch to The Sun. ROME, Dec. 29.—Reports received here tonight from Albania say that Scutari, an important Albanian city, which is less than fourteen miles from the Adriatic, is being attacked by an Austrian army of invasion.

From Scutari, the reports add, the Austrians purpose to proceed to Avlona, the chief Albanian seaport, to reinforce the Bulgarians who are advancing from Elbasan.

This indicates that both the Austrians and the Bulgarians have made progress in their westward drive and are nearing their principal aim, which is to gain the Adriatic coast.

Little credence is given here to the theory that the Austrians will drive southward from Scutari, as in order to reach the Bulgarians they would have to march through a territory of tremendous natural difficulties. The distance between Scutari and Elbasan is a little more than sixty-five miles.

It is believed that the Austrians will attempt to gain and hold the western part of the Albanian coast. One of their objects is reported to be the establishment of a submarine base along the coast in the Scutari region.

At Avlona is concentrated the bulk of the Italian expeditionary force, estimated variously at between 50,000 and 120,000 men. A clash between these

troops and the Bulgarians is expected shortly.

Part of the Italian troops landed at Avlona have reached the northern frontier of Greek Epirus, according to travelers arriving from Santi Quaranta at Athens. Other Italian troops are reported near Tepeleni, in southern Albania.

A large force of Greek troops has been for some time concentrated in Epirus. The southward movement of the Italian troops there is a precautionary measure against Greek attacks in the event the Hellenic nation should ultimately join the Teutons and Bulgarians in seeking to dominate the Balkans.

At times have been conflicting for years and at times have brought the two countries near war.

A despatch gives the number of Serbians who fled into Albania and are now in the Scutari and Elbasan regions, at 75,000, adding that they are well equipped and prepared to resist the Austrians and Bulgarians.

TOBACCO BAN NOT REMOVED.

Britain Hasn't Sanctioned U. S. Shipments to Germany.

Special Cable Dispatch to The Sun. LONDON, Dec. 29.—In reply to a statement which appeared in the *Cincinnati Tobacco Journal* of December 6 that Great Britain would allow Germany to import American tobacco the Foreign Office said on inquiry from the *Daily Mail* today:

"It is entirely incorrect to say that the Government will permit or is about to permit the importation of tobacco to Germany. No goods having an enemy destination are allowed to proceed. At the same time it is obvious that some goods are of less importance to a belligerent than others."

"Consequently the ultimate destination of goods of little or no military value need not be inquired into so far as tobacco is concerned. The case of goods of great military value. Nor is it necessary to demand of neutral consignees of such goods the same guarantees as are properly required in other cases."

"Germany can already obtain certain kinds of tobacco from various sources, for instance from Turkey. She also can obtain other kinds of tobacco as well as of itself a matter of first rate importance. The most essential thing is to prevent munitions of war and necessary supplies from reaching the enemy. On that the greatest efforts are being concentrated. As regards tobacco it is thought enough to secure that it be consigned to neutrals."

RUSSIANS IN NEW DRIVE.

Austrians Are Forced to Retreat in Bessarabia.

LONDON, Dec. 29.—The Russians in the southern part of the eastern front are making tremendous efforts to break through the Austrian lines. These efforts are developing into the most important operation since the great German drive.

The amount of ammunition expended is incredible and the loss of men must be enormous. On the Bessarabian front the Russians have attacked eight times in the last four days, each time in force.

According to Vienna every onslaught has been repulsed, but evidently some slight progress has been made by the Czar's troops. The Austrian official report today admits a retirement at one place. It says:

In Bessarabia renewed Russian attacks failed with great losses. East of Burkanov one of our reconnoitering divisions retired before superior Russian forces.

NORWAY-RUSSIA LINE OPENED.

LONDON, Dec. 29.—The Copenhagen correspondent of the Exchange Telegraph Company reports that the new steamship route from Norway to Russia has been opened.

The first trip was made by the Norwegian steamer Kong Helge, carrying a cargo of American and English machinery for Russia.



Father Knickerbocker: Put plenty of White Rock Water on the ice for tomorrow night and don't forget that a bottle of wine goes twice as far and tastes all the better when mixed with the unsurpassed Mineral Water.

ASQUITH STANDS BY COMPULSION PLEDGE

Continued from First Page.

ing canvassed eagerly at trade union centres.

Feeling in the ranks of the Labor party is running high. Many are staunchly opposed to any form of compulsion, but, on the other hand, many are willing to recognize its justification if it is clearly shown that in no other way can a sufficient supply of men be raised. Not a few believe that unarmored men should have another chance before conscription is resorted to.

The plan of David Lloyd George, Minister of Munitions, for the relaxation of trade union rules so as to enlarge the number of men performing certain classes of work will be considered tomorrow at a meeting of the Amalgamated Society of Engineers. The engineers will discuss Mr. Lloyd George's bill amending the munitions act, which will come before Parliament when it reassembles.

CABINET MAY STAND.

Resignations Unlikely if Conscription Methods Are Approved.

Special Cable Dispatch to The Sun. LONDON, Dec. 29 (Thursday). The *Daily Mail* says this morning that the country as a whole has expressed relief and pleasure that the Cabinet decided upon immediate compulsion. With no resignations announced there is a growing feeling that none may be offered.

Resulting in London and the provinces has so far been unaffected. No stir is reported anywhere, although a rush is predicted when compulsion is officially announced.

The *Daily Mail's* correspondent at Sydney says that the report of Great Britain's decision to introduce compulsion was greatly strengthened by statements there. The correspondent believes it certain that compulsion will be adopted in Australia.

The *Times* says: "Those in close touch with the political organizations state that public opinion in Great Britain is now very different from what it was even three months ago. The number of abstentions, as well as the large number of enlistments which resulted from Lord Derby's scheme, added to the existing army of 2,000,000 men by giving so many homes throughout the land a direct interest in some man serving or about to serve, and has produced a psychological change in the nation which was previously opposed to compulsion of skilled workers."

The *Times* says: "The country is so steady and firm in its resolve to win, whatever the sacrifice, that there will be little trouble outside Parliament. Even the Parliamentary situation is less difficult than it might appear at first glance."

The question of the unity of the Cabinet continues to hold the centre of the interest. Divergent opinions are expressed by the morning papers. The conservative *Daily Express* says:

"The Cabinet crisis continues. The Ministers are still divided. McKenna, Runciman, Harcourt, Simon and Buckmaster will not have compulsory service of any kind or at any price, and are prepared to resign if it should be enforced."

"On the other hand, Lord Selborne and at least two other Unionists regard Premier Asquith's single men dictum as a useless compromise and are determined to resign, on the principle of the whole hog or none."

"Nevertheless, it is to be regarded as certain that the life of the present Government will not be impaired."

The *Times* confirms the probability of the resignation of McKenna, Runciman, Harcourt and Simon to the extent that their friends believe they will not remain.

The *Daily News* on the other hand says good reason for the hope that Mr. McKenna and Runciman will not resign and thinks resignations generally may be avoided if a compromise is offered.

The *Daily Chronicle* says: "Mr. Edward Grey, who has always dreaded any action tending to weaken the solidarity of the nation, is using his

great authority and influence as a conciliator.

Regarding the position of the Irish Nationalists, the *Times* says: "They are determined that compulsion shall not be applied to Ireland. It is important to remember that the Derby recruiting scheme did not apply to Ireland, which is still recruiting along the old lines. But the Nationalists go further: they feel that their position might be prejudiced in the eyes of the empire by the adoption of compulsion in Great Britain alone and the retention of the voluntary system in Ireland."

"Early on this ground they twice passed strongly worded resolutions against the introduction of any form of compulsion in any part of the United Kingdom."

The attitude of the Labor party is viewed variously by the press. The *Daily Mail* computes that about a score will vote against compulsion. The *Times* believes that if Mr. Henderson convincingly sets forth his views at the conference of Labor party members the party will not be likely to take an unreasonable attitude.

The *Daily Chronicle*, on the other hand, says: "The Parliamentary members of the Labor party did not conceal yesterday (Wednesday) their repugnance against compulsion at home."

"It is predicted that the party will be bound to oppose the bill at any cost. Asked about Premier Asquith's pledge to the married men they replied that that was an affair between Lord Derby and Asquith, with which they have no concern. They have been addressed by Lord Kitchener and have been asked to assist Lord Derby's plan. They did so and worked with the greatest zeal to make the voluntary system a success."

"They assert that they succeeded in vindicating it and that Lord Derby's rally brought more men to the colors in nine weeks than Lord Kitchener had stipulated for. In the light of these facts they are of the opinion that there is any necessity for compulsion."

CRISIS AFFECTS LOAN.

Anglo-French Bonds Touch New Low Figure Here

The Anglo-French bonds sold down to a new low record price of 93½ yesterday, heavy transactions being recorded at that figure. The bonds closed at the low price of the day. This is the first time that the bonds have broken below 94 and the first decided weakness which they have manifested since the dissolution of the loan syndicate.

Bond experts say that the drop in the bonds is due in some respect to the sentimental effect of the Cabinet crisis in Great Britain.

BELGIAN PROFIT, GERMAN GAIN

Governor Said to Compel Company to Subscribe to War Loan.

PARIS, Dec. 29.—The *Matin* correspondent of the *Matin* reports that Gen. von Bissing, the German Governor-General of Belgium, has forced the directors of a Belgian company owning mines in the Far East to subscribe the surplus profits of the company to the German war loan.

Gen. von Bissing, it is said, has sequestered the assets of all Belgian stock companies.

MUST KEEP COST OF BEER LOW.

Munich Authorities Won't Permit Increase Planned by Dealers.

MUNICH, via London, Dec. 29.—There will be no further rise in the price of beer here. The provincial authorities today refused to allow the increase which the municipality had recently authorized breweries and beer halls to put in practice.

The provincial authorities took this action after an appeal was taken from the municipality's decision.

SWEDES FIRE ON GERMANS

Fort Guns Attack Torpedo Boats That Trespassed, London Hears.

LONDON, Dec. 29.—The forts on the Swedish island of Haestholmen fired on two German torpedo boats pursuing a Swedish steamship off Karlskrona, in Swedish territorial waters, to-day, according to despatches from Stockholm forwarded by the Exchange Telegraph correspondent at Copenhagen.

"The Swedish Admiralty," says the despatch, "has ordered a strict inquiry into the incident, which is regarded as a repetition of the recent violation of territorial waters when the Germans captured the steamship Argo. In the present case the quarry escaped, the Germans abandoning the pursuit when they were fired at."

DUTCH TRADERS PRO-GERMAN.

Food Smuggling Continues—British Seizures Arouse Feeling.

Special Cable Dispatch to The Sun. LONDON, Dec. 29.—The *Daily Mail's* correspondent at Rotterdam telegraphs: "Holland continues to be excited over the British detection of Dutch mail and parcels. Pro-German feeling is spreading in commercial circles. Smuggling goes on merrily and Holland continues to feed Germany. Dutch traders are making fortunes out of the war."

"The *Nieuwe Courant* states that 2,000 mail bags have been seized by the British. The newspapers comment sharply on the British action."

TRAIN KILLS 18 SOLDIERS.

47 Other Germans on Furlough Injured in Wreck.

BERLIN, via wireless to Sayville, Dec. 29.—A train jumped the rails at Bentschen station today.

Eighteen German soldiers on furlough were killed and forty-seven injured.

FOOD COST HIGHER.

Price of Bacon Increased 85 Per Cent. in Berlin.

SPECIAL CABLE DISPATCH TO THE SUN. STUTTGART, via Amsterdam, Dec. 29.—The *Vossische Zeitung*, in an article commenting on the food prices in Berlin, shows that there has been a great increase of the cost of living in the German capital.

The article says that the price of bacon has increased 85 per cent., while that of pigs has increased 80 per cent., mutton 70 per cent. and veal 65 per cent.

CHINESE REVOLT NOT SERIOUS.

Rebels Assume U. S. Minister's Signers Will Be Protected.

WASHINGTON, Dec. 29.—Formal assurances have been given to United States Minister Reisch at Peking by representatives of the Chinese revolutionists that full protection will be accorded to Americans and other foreigners and their interests. Reporting these assurances, the State Department to-day Minister Reisch expressed the opinion that the revolutionary movement in China is of the opinion in his report to spread is of the opinion that there need be no apprehension of danger to foreign life or property or that business will be disturbed.

Polk Songs and Carols for German.

German folk songs and Christmas carols were given last night in Audubon Hall by the German University League for the benefit of the Citizens Committee for Food Shipments.

BEAGLES RULERS GRATEFUL.

Send Thanks for Shoes Given to Destitute Children.

The Dollar Christmas Fund, of which Henry Clews is treasurer and which has sent 100,000 pairs of winter shoes for distribution among Belgian children, now exceeds \$45,000, but Mr. Clews now accepts contributions for a few weeks longer in view of the pressing need of destitute little ones in the devastated country.

Mr. Clews received yesterday the cablegram from Secretary of State Inghenck of Belgium:

"The King and Queen have been deeply touched by the generous words you have undertaken and the success accomplished. Their Majesties offer you their congratulations and ask you and your fellow workers to accept their heartfelt thanks for the brotherly aid they are rendering to our unfortunate fellow countrymen. Such marks of sympathy are truly consoling."

TRAIN KILLS 18 SOLDIERS.

47 Other Germans on Furlough Injured in Wreck.

BERLIN, via wireless to Sayville, Dec. 29.—A train jumped the rails at Bentschen station today.

Eighteen German soldiers on furlough were killed and forty-seven injured.

GERMANY WANTS A HUGE INDEMNITY

Tentative Peace Terms Ask Payment by Allies of \$3,600,000,000.

DEMANDS ARE RIDICULED

LONDON, Dec. 29.—The semi-official Wolff Bureau has circulated through Germany what purports to be a draft of terms upon which the Central Powers are willing to make peace. The Wolff Bureau, which says that the document was published in the *Neue Zürcher Zeitung* of Zurich, disavows it as an official statement, but the fact that it has been circulated through such a medium lends significance to it.

In the English view of the proposed terms the stipulation that an indemnity of about \$3,600,000,000 shall be paid to Germany is absolutely unacceptable.

The terms, as quoted in a despatch from Berlin, are:

The restoration of Belgian sovereignty under certain conditions. No annexation of French territory. Separation of Poland from Russia as an independent kingdom under a German prince.

Restoration of all the German colonies. Payment of an indemnity which would assume the form of a transfer to Germany of Russia's indebtedness to France, amounting to \$3,600,000,000.

Belgium to Pay Tribute.

Payment for a term of years of an annual contribution by Belgium equal to the amount hitherto spent annually on the Belgian military establishment (about \$50,000,000).

A similar contribution would be expected from Russia or Poland, this point not being clear in the article. (This might reach \$350,000,000 annually.)

Whether the Belgian territory would be restored entirely is not specified, but it is stated that that country would be garrisoned by Germany until the payments of the contribution were ended, and that measures would be taken to prevent Belgium from serving as an Anglo-French outpost, either by treaty arrangements or perhaps through "pledges" turned over to Germany, the latter phrase apparently referring to the retention of the Meuse fortresses.

Terms Are Ridiculed.

In a general way the German peace terms as outlined resemble those sent out from Germany last October. As pointed out, they are considered by British commentators as absolutely out of the question and are a subject for ridicule rather than serious discussion.

There is a marked conviction, however, that Germany and Austria may actually be about to propose some such settlement to the Allies. In this connection the movements of Prince von Buelow, formerly Imperial German Chancellor, are interesting. He has been at Bern, Switzerland, for some months past, where it is generally believed his mission was peace. He has now left Bern and has gone to his villa at Lucerne, presumably being fed out the attitude of the Allies and ended his mission.

It is the opinion among those in touch with the Government here that Great

Britain will not accept such terms.

There is a marked conviction, however, that Germany and Austria may actually be about to propose some such settlement to the Allies. In this connection the movements of Prince von Buelow, formerly Imperial German Chancellor, are interesting. He has been at Bern, Switzerland, for some months past, where it is generally believed his mission was peace. He has now left Bern and has gone to his villa at Luc